

EXECUTIVE SUMMARY

■ **POPULATION** – Raleigh's estimated population as of January 1, 2004 is 322,211. Population growth of 10,467 persons in the period January 1, 2003 through January 1, 2004, represents a 3.36% annual increase. As of January, 2004, population in Raleigh has increased over 16% since the last decennial census in April 2000, when Raleigh's population was measured at 276,093 persons.

■ **AGE/SEX** – Raleigh's population is comprised of 49.5 percent men and 50.5 percent women. The median age of Raleigh residents is 30.9 years of age.

■ **RACE** – Raleigh's racial make-up is 63.3 percent white, 27.8 percent Black or African-American, 3.4 percent Asian, 3.6 percent some other race, and 1.9 percent two or more races. 19,308 persons (approximately 7 percent of the population) are of Hispanic or Latino origin.

■ **HOUSING UNITS** – Census 2000 reports show that as of Census day there were 120,699 housing units located in the City of Raleigh. Recent housing unit estimates as of 12/31/03 show that there were 141,805 housing units in the City. Between April, 2000 and December 31, 2003 there were 21,106 new units added to the City reflecting a 17.5% increase in housing units for this period.

■ **OWN/RENT** – Of the 120,699 housing units identified during Census 2000, 51.6 percent were owner-occupied and 48.4 percent were renter-occupied. The percentage of owner-occupied units has significantly increased since 1990 when 46.9 percent of housing units were owner-occupied.

■ **RESIDENTIAL CONSTRUCTION** – In calendar year 2003, 4,011 building permits representing 5,855 new residential units were

issued in Raleigh's jurisdiction, reflecting a construction value of \$583,434,789. Since Census 2000, an estimated 14,808 residential permits have been issued in the City of Raleigh, representing approximately 45% of the total 33,098 residential permits issued throughout Wake County.

■ **CONSTRUCTION VALUE** – The total value of all construction authorized in the City of Raleigh during calendar year 2003 was \$1,191,743,636 representing a 19% increase in total value of construction authorized in 2002.

■ **TAX RATE** – Raleigh's property tax rate remains lower than other large cities in North Carolina and most other Wake County municipalities.

■ **TAX BASE** – Raleigh had a tax base of over \$29 billion in FY 2002-03. The City's tax base is approximately 32% commercial and 68% residential.

■ **EMPLOYMENT** – Raleigh's unemployment rate of 4.0% for the first quarter of 2004 shows an improvement over its average annual unemployment rate of 5.2% for 2003.

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Downtown Raleigh Revitalization Projects Moving Ahead

The Livable Streets Plan, a strategic action plan for economic development and revitalization of downtown Raleigh was adopted in 2003. The following key initial implementation components of the plan, called the Five in Five, are scheduled to be completed in five years:

1. **Complete a Fayetteville Street Renaissance** to reinvigorate this street as the heart of Raleigh, our ceremonial corridor and the premiere address for office, events and cultural activity.
2. **Fund and build a new Convention Center & Hotel** to attract conventions and trade shows and improve the business environment for hotels, restaurants and other visitor services.
3. **Improve the pedestrian environment** making downtown accessible to everyone. Balance the needs of pedestrians against those of the car. Create an attractive, well lit, safe environment that links office and residential uses to amenities such as restaurants, museums and other venues.
4. **Undertake regulatory reform** to improve the business climate by removing regulatory impediments, making it just as easy to do business downtown as any

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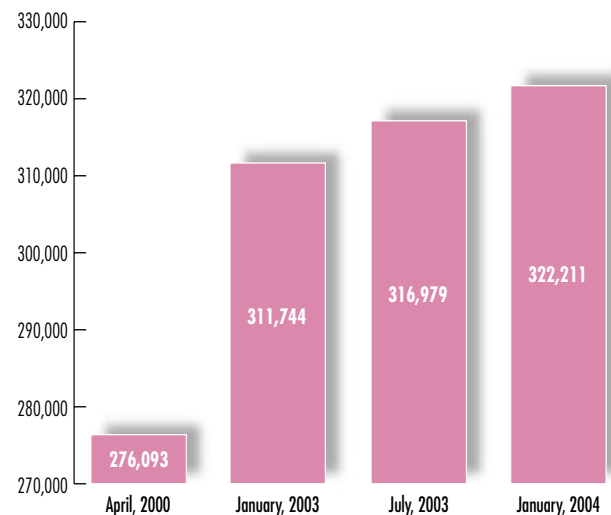
CENSUS 2000 — HOUSEHOLD INCOME (1999 DOLLARS)

	<i>Number of Households</i>	<i>Less than \$10,000</i>	<i>\$10,000 - \$14,999</i>	<i>\$15,000 - 24,999</i>	<i>\$25,000 - \$34,999</i>	<i>\$35,000 - \$49,000</i>	<i>\$50,000 - \$74,999</i>	<i>\$75,000 - \$99,999</i>	<i>\$100,000 - \$149,999</i>	<i>\$150,000 - \$199,999</i>	<i>\$200,000 or more</i>	<i>Median HH Income</i>
Wake County	242,133	13,269	8,725	22,216	26,989	37,364	52,077	33,970	31,305	9,040	7,178	54,988
Raleigh	112,727	8,113	5,154	12,758	14,896	19,062	23,007	13,262	10,843	3,081	2,551	46,612
Apex	7,386	104	127	397	440	1,179	1,714	1,509	1,450	317	149	71,052
Cary	34,867	692	612	2,082	2,415	4,134	7,464	6,017	7,511	2,320	1,620	75,122
Fuquay-Varina	3,130	298	183	370	454	534	690	370	182	22	27	42,903
Garner	6,933	360	282	725	1,045	1,222	1,452	1,110	603	82	52	47,380
Holly Springs	3,235	113	54	143	230	396	902	572	534	172	119	69,550
Knightdale	2,195	65	58	173	252	366	661	320	242	33	25	56,021
Morrisville	2,492	106	55	144	264	437	760	338	251	69	68	56,548
Rolesville	331	12	20	41	37	66	71	49	31	2	2	46,838
Wake Forest	4,616	301	225	435	499	693	1,133	719	437	100	74	52,307
Wendell	1,675	205	119	190	233	325	321	190	76	12	4	39,750
Zebulon	1,550	163	120	260	212	271	323	126	61	5	9	36,250
Outside City Limits	60,996	2,884	1,790	4,572	6,104	8,759	13,641	9,416	9,095	2,827	2,480	n/a



Construction should begin in late summer on this mixed-use tower at the corner of Jones and Harrington Streets. Retail and office spaces and upper-level residential condominiums are included.

RALEIGH POPULATION ESTIMATES



January 1, 2004 Population

Raleigh's estimated population on January 1, 2004 was 322,211. Growth in the period July 1, 2003 to January 1, 2004 represents a 1.7% increase. Growth in the period January 1, 2003 to January 1, 2004 represents a 3.36% annual population increase. For more information on the City's population estimate methodology, visit our web site at: www.raleigh-nc.org/planning/pdc.

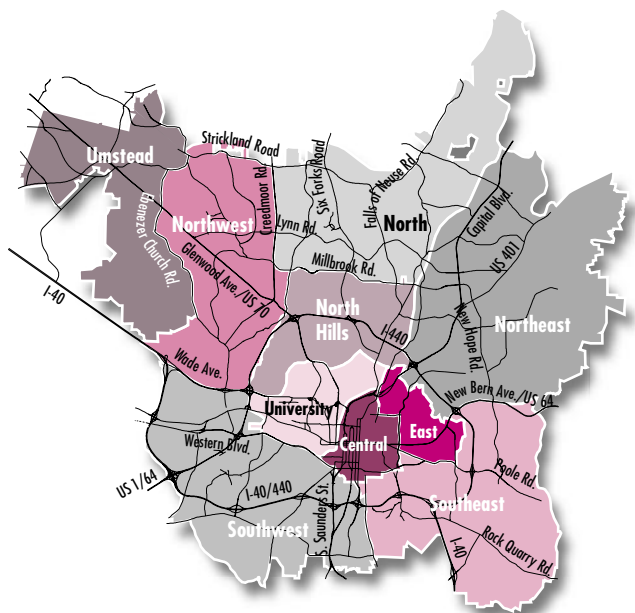
EDUCATIONAL ATTAINMENT — 25 YEARS & OLDER

	Population 25 years & older	Less than 9th Grade	9th to 12th Grade	High School Graduate	Some College	Associate Degree	Bachelor's Degree	Graduate or Professional Degree
Wake County	403,481	15,158	27,928	71,648	80,950	30,768	119,389	57,640
Raleigh	174,393	7,277	12,708	28,274	35,925	11,993	53,017	25,197
Apex	12,880	192	326	1,535	2,189	1,071	5378	2,189
Cary	61,114	1,304	1,712	6,537	9,986	4,481	23,064	14,030
Fuquay-Varina	5,072	448	574	1,160	1,130	384	999	377
Garner	11,867	495	1,135	2,954	2,989	947	2,551	796
Holly Springs	5,790	161	289	777	1,077	551	2,228	707
Knightdale	3,699	126	180	814	1,005	329	951	294
Morrisville	3,529	47	157	475	615	275	1,277	683
Rolesville	582	25	51	206	125	53	93	29
Wake Forest	7,922	310	538	1,333	1,639	692	2,562	848
Wendell	2,685	176	350	763	655	222	408	111
Zebulon	2,540	257	373	794	552	166	301	97
Outside City Limits	111,408	4,340	9,535	26,026	23,063	9,604	26,560	12,282

POPULATION GROWTH BY PLANNING DISTRICTS

Planning District	4/1/00 Population*	1/1/04 Population	Growth 4/1/00 to 1/1/04
Central	18,523	19,523	1000
East	10,639	10,724	85
North	58,127	67,822	9,695
North Hills	26,081	27,862	1,781
Northeast	45,308	59,204	13,896
Northwest	41,631	47,878	6,247
Southeast	26,194	31,476	5,282
Southwest	40,652	48,095	7,443
Umstead	7,358	11,214	3,856
University	28,851	29,235	384
Total	303,364	353,034	49,670

RALEIGH PLANNING DISTRICTS



*4/1/00 Population figures reflect redistribution of group quarters population to correct census block

During Census 2000, 258,953 housing units were identified in Wake County, of which 120,699 or 46.6 percent were located in the City of Raleigh.

The average persons per household (pph) of 2.3 in Raleigh is slightly lower than the 1990 value of 2.36 persons per household. In Wake County the average persons per household has increased slightly over the past decade, from 2.46 to 2.51.

In 1990, the percentage of owner-occupied housing units in Raleigh was 46.9 percent. As of 4/1/00 this had increased to 51.6% owner-occupied units and 48.4% renter-occupied units. While the 2000 figure is an increase, Raleigh has the second lowest percentage of owner-occupied housing units in the county. This can be attributed to the large number of student apartment units as well as the recent creation and building of “upper-end” rental units.

CENSUS 2000 — HOUSING UNITS

	Housing Units	Average PPH	Vacant Housing Units	Owner Occupied	Renter Occupied
Wake County	258,953	2.51	6.5%	65.9%	34.1%
Raleigh	120,699	2.30	6.7%	51.6%	48.4%
Apex	8,028	2.73	7.9%	76.1%	23.9%
Cary	36,863	2.69	5.3%	72.8%	27.2%
Fuquay-Varina	3,375	2.48	7.5%	61.6%	38.4%
Garner	7,252	2.51	4.2%	69.1%	30.9%
Holly Springs	3,642	2.77	9.0%	85.7%	14.3%
Knightdale	2,353	2.70	7.7%	74.3%	25.7%
Morrisville	3,210	2.10	22.9%	30.3%	69.7%
Rolesville	384	2.57	8.1%	70.5%	29.5%
Wake Forest	5,091	2.66	9.3%	63.1%	36.9%
Wendell	1,785	2.50	6.2%	69.7%	30.3%
Zebulon	1,661	2.57	6.6%	61.0%	39.0%
Outside City Limits	64,611	n/a	n/a	n/a	n/a



The Depot, an adaptive reuse project in a former railroad freight building, is ready for occupancy in downtown Raleigh's warehouse district.

RESIDENTIAL PERMITS ISSUED — CENSUS 2000 THRU DECEMBER 2003

	Number of Permits	% of total Permits Issued
Wake County	33,098	n/a
Raleigh	14,808	44.7%
Apex	2,303	7.0%
Cary	2,165	6.5%
Fuquay-Varina	1,297	4.0%
Garner	807	2.4%
Holly Springs	1,481	4.5%
Knightdale	330	1.0%
Morrisville	1,910	5.8%
Rolesville	160	0.5%
Wake Forest	5,091	5.5%
Wendell	1,785	0.6%
Zebulon	1,661	0.2%
Outside City Limits	5,726	17.3%

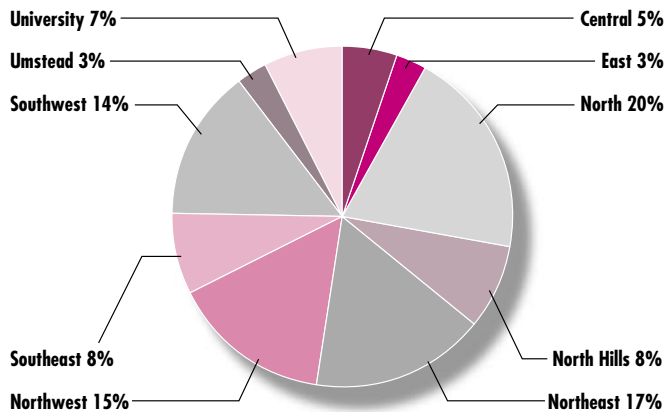
Since Census 2000, over 44% of residential permits issued in Wake County have been within the Raleigh City Limits.

Source: Wake County Tax Assessor's Office

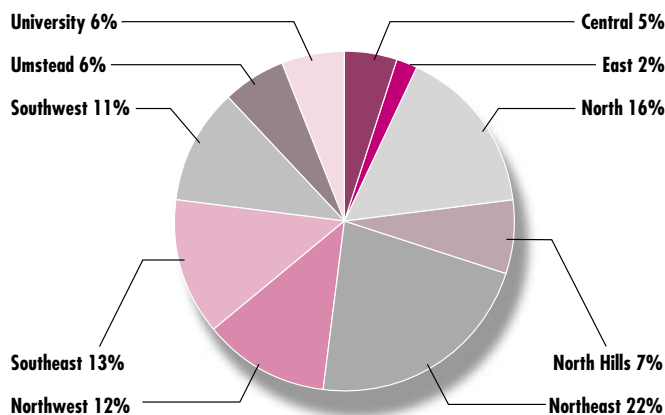
HOUSING UNIT ESTIMATES & PROJECTIONS BY PLANNING DISTRICTS

Planning District	4/2000 Estimated Units	1/2004 Estimated Units	2015 Projected Units	2025 Projected Units	Growth 2015 to 2025	% Growth 2004 to 2025
Central	7,643	7,983	10,876	12,955	2,079	62.3%
East	4,406	4,472	5,172	5,565	393	24.4%
North	25,893	30,349	33,604	39,737	6,133	30.9%
North Hills	11,550	12,357	14,543	15,844	1,301	28.2%
Northeast	18,957	25,439	38,800	52,008	13,208	104.4%
Northwest	20,636	23,319	25,043	27,835	2,792	19.4%
Southeast	9,431	11,839	22,776	32,272	9,496	172.6%
Southwest	18,541	22,029	22,118	25,705	3,587	16.7%
Umstead	2,646	4,439	9,992	14,996	5,004	237.8%
University	11,385	11,515	13,726	14,838	1,112	28.9%
Total	131,088	153,741	196,650	241,755	45,105	57.2%

During the fall and winter of 2000, new dwelling unit and population projections were created for the City of Raleigh. According to the projections, by the year 2025 241,755 housing units will be located within the Raleigh Planning Jurisdiction.

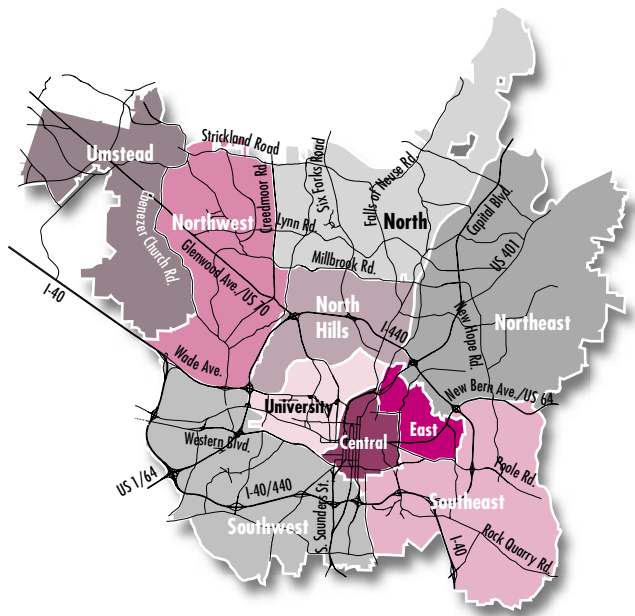


2004 HOUSING UNIT DISTRIBUTION



2025 PROJECTED HOUSING UNIT DISTRIBUTION

Northeast, Southeast, & Umstead Planning Districts will absorb the bulk of housing unit growth by the year 2025.



RALEIGH PLANNING DISTRICTS

During the Fiscal Year 2002-2003, retail sales in Raleigh were in excess of \$7.2 billion, up from \$7.0 billion in 2001-2002. Raleigh accounts for 59 percent of all retail sales in Wake County.

Source: NC Department of Revenue, Tax Research Division.

RALEIGH RETAIL SALES				
Fiscal Year	Raleigh Retail Sales	% Annual Increase	Wake County Retail Sales	% Annual Increase
92-93	\$4,051,419,271	11.28%	\$5,968,508,562	12.87%
93-94	\$4,394,845,468	8.47%	\$6,663,017,363	11.63%
94-95	\$5,018,859,277	14.19%	\$7,649,497,482	14.80%
95-96	\$5,492,677,474	9.44%	\$8,440,787,375	10.34%
96-97	\$6,119,315,316	11.41%	\$9,669,935,586	14.56%
97-98	\$6,437,307,729	5.20%	\$10,318,839,601	6.70%
98-99	\$6,913,502,130	7.39%	\$11,535,941,927	6.68%
99-00	\$7,026,463,226	1.63%	\$11,613,684,026	0.01%
00-01	\$7,524,444,394	7.09%	\$12,546,177,149	8.03%
01-02	\$7,001,817,687	-7.31%	\$12,017,561,289	-4.40%
02-03	\$7,296,796,227	4.21%	\$12,401,936,497	3.19%

In 2002 North Carolina had a per capita personal income (PCPI) of \$27,785. This PCPI was 90 percent of the national average of \$30,906. The 2002 NC PCPI reflected an increase of 1.6 percent from 2001. Latest PCPI available for Wake County remained higher than state and national PCPI figures.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System.

PER CAPITA INCOME						
	1990	1999	2000	2001	2002	% of USA in 2002
Wake County	\$20,658	\$35,759	\$36,581	\$36,870	n/a	n/a
Durham County	\$19,238	\$29,677	\$29,739	\$30,494	n/a	n/a
Orange County	\$19,857	\$28,581	\$29,773	\$30,238	n/a	n/a
Johnston County	\$15,773	\$22,988	\$24,212	\$24,620	n/a	n/a
North Carolina	\$16,262	\$26,417	\$26,882	\$27,308	\$27,785	90%
United States	\$18,666	\$28,546	\$29,770	\$30,413	\$30,906	100%

The Raleigh-Durham MSA has the highest median family income in North Carolina, surpassing the next highest region (Charlotte) by 13 percent or \$8000. Between 1990 and 2003 the Jacksonville MSA experienced the greatest percentage growth in median family income — 80.3 percent. The Raleigh-Durham MSA's median family income grew by 66.6 percent or \$27,900.

MEDIAN FAMILY INCOME						
	1990	2000	2001	2002	2003	% Growth 90-03
Asheville	\$30,500	\$45,200	\$46,800	\$49,000	\$49,600	62.6%
Charlotte-Gastonia-Rock Hill	\$38,300	\$57,100	\$60,400	\$64,100	\$61,800	61.3%
Fayetteville	\$27,700	\$40,700	\$41,900	\$43,700	\$46,900	69.3%
Greensboro-Winston Salem-High Point	\$36,100	\$51,000	\$53,100	\$56,100	\$55,500	53.7%
Jacksonville	\$22,900	\$37,200	\$38,500	\$40,100	\$41,300	80.3%
Raleigh-Durham-Chapel Hill	\$41,900	\$62,800	\$66,100	\$71,300	\$69,800	66.6%

Source: N.C. State Data Center, US Department of Housing and Urban Development, US Bureau of Census.

RALEIGH BUSINESS PRIVILEGE LICENSES

Year	# of Licenses	\$ Value of Licenses	Average Value per License
1996-1997	13,600	\$1,624,000	\$119
1997-1998	14,159	\$1,807,000	\$128
1998-1999	13,778	\$1,852,000	\$134
1999-2000	14,658	\$1,928,000	\$132
2000-2001	15,324	\$2,148,248	\$140
2001-2002	16,577	\$2,267,116	\$137
2002-2003	17,027	\$3,293,450	\$193

During FY 2002-2003 the number of business privilege licenses issued by the City of Raleigh increased by 2.7 percent over the prior fiscal year. The number of licenses and dollar value increased along with the average dollar value per license. (The license fee is based on the type of business).

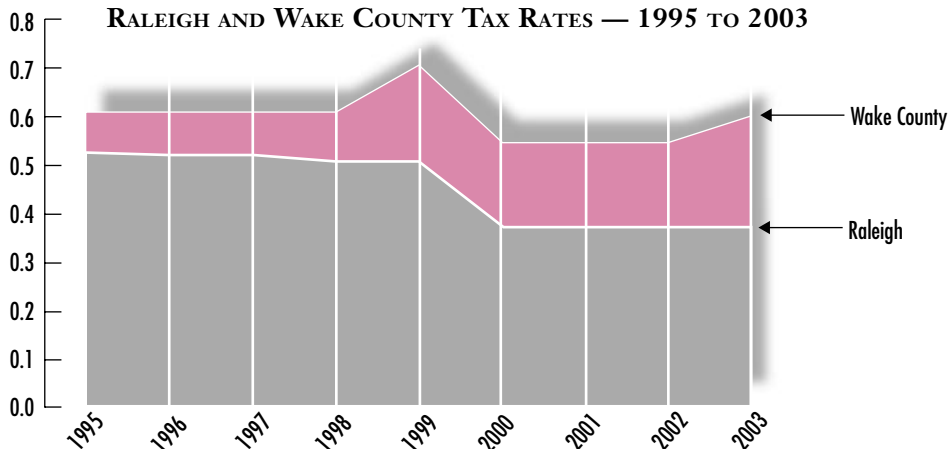
Source: City of Raleigh Finance Department

LOCAL TAX RATES — 1995 TO 2003

	1995	1996	1997	1998	1999	2000	2001	2002	2003
Apex	0.52	0.52	0.52	0.52	0.52	0.42	0.40	0.40	0.40
Cary	0.54	0.54	0.54	0.54	0.54	0.43	0.42	0.42	0.42
Fuquay-Varina	0.59	0.59	0.59	0.59	0.59	0.49	0.49	0.52	0.52
Garner	0.64	0.64	0.64	0.64	0.64	0.52	0.52	0.56	0.56
Holly Springs	0.62	0.62	0.62	0.62	0.62	0.53	0.53	0.53	0.53
Knightdale	0.51	0.51	0.52	0.52	0.53	0.44	0.44	0.46	0.48
Morrisville	0.60	0.60	0.60	0.60	0.60	0.47	0.47	0.47	0.47
Raleigh	.544	.5375	.5375	.525	.525	.385	.385	0.385	0.385
Rolesville	0.55	0.55	0.55	0.55	0.62	0.485	0.485	0.485	0.485
Wake Forest	0.56	0.56	0.56	0.56	0.60	0.50	0.52	0.52	0.53
Wendell	0.59	0.59	0.59	0.59	0.59	0.54	0.54	0.54	0.54
Zebulon	0.525	0.525	0.525	0.525	0.525	0.46	0.46	0.48	0.48
Wake County	0.63	0.63	0.63	0.63	0.73	0.564	0.564	0.564	0.604

The 2000 tax rates were adjusted downward from the 1999 rate to offset the effects of the real property revaluation, which Wake County is required to do every eight years. The adopted tax rates are “revenue neutral”, so that revenues brought in by property taxes in a revaluation year would be the same as if a revaluation had not taken place. The combined City/County tax rate of City of Raleigh residents for FY 02-03 is .989 per \$100 in value.

RALEIGH AND WAKE COUNTY TAX RATES — 1995 TO 2003



The City of Raleigh's property tax rate is lower than most other Wake County municipalities. ☞

As of January 1, 2003 the tax base of Wake County was over \$68.5 billion. The City of Raleigh's tax base of over \$29 billion is the largest of all municipalities in the County. Raleigh's tax base is 32 percent commercial/industrial and 68 percent residential. Zebulon and Morrisville had the highest percentage of commercial/industrial base at 63 percent and 51 percent, respectively.

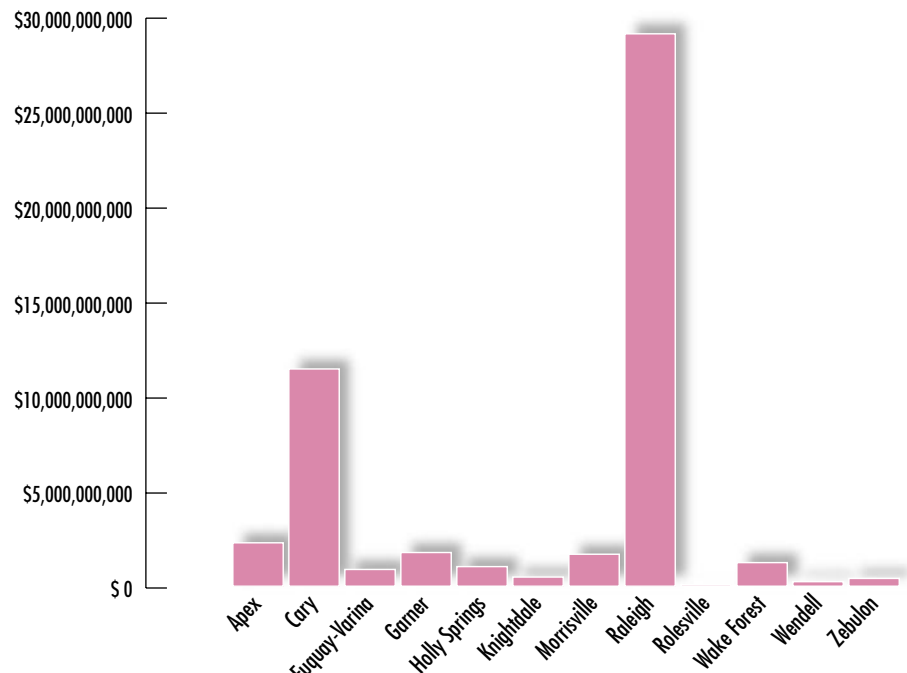
Includes business and residential personal property values for fiscal year 2002-2003 and real property values as of 1-1-2003.

2002-2003 PROPERTY TAX BASE

	Percentage Commercial/ Industrial	Percentage Residential	Total Value	Commercial/ Industrial Value	Residential Value
Apex	19%	81%	\$2,284,871,313	\$426,574,047	\$1,858,297,266
Cary	28%	72%	\$11,412,684,187	\$3,231,309,525	\$8,181,374,662
Fuquay Varina	45%	55%	\$807,960,186	\$367,368,042	\$498,036,676
Garner	40%	60%	\$1,767,158,157	\$701,857,198	\$1,065,300,959
Holly Springs	10%	90%	\$1,034,376,814	\$101,009,889	\$93,366,925
Knightdale	25%	75%	\$477,182,579	\$121,600,535	\$355,582,044
Morrisville	51%	49%	\$1,680,679,491	\$860,437,910	\$820,241,581
Raleigh	32%	68%	\$29,012,308,710	\$9,338,754,109	\$19,673,555,601
Rolesville	25%	75%	\$83,504,271	\$20,522,531	\$62,981,740
Wake Forest	24%	76%	\$1,244,882,109	\$287,432,853	\$957,449,256
Wendell	18%	82%	\$239,987,697	\$42,150,665	\$197,837,032
Zebulon	65%	35%	\$412,498,653	\$259,521,314	\$152,977,339
Wake County	31%	69%	\$68,597,659,526	\$21,182,695,391	\$47,414,964,135

Raleigh's tax base of over \$29 billion represents 42.2% of the total tax base in Wake County.

2002 - 2003 PROPERTY TAX BASE



Source: Wake County Tax Assessor's Office.

ACCRA COST OF LIVING INDEX — FOURTH QUARTER 2003

	100% Composite Index	Groceries	Housing	Utilities	Transportation	Health Care	Goods & Services
<i>Asheville NC Metro</i>							
Asheville, NC	100.8	91.3	110.0	97.9	98.6	94.5	98.9
<i>Charlotte/Gastonia/Concord NC/SC Metro</i>							
Charlotte, NC	95.9	97.2	86.0	92.7	97.5	97.8	102.6
Gastonia, NC	90.9	95.9	82.6	96.1	87.3	93.9	95.4
<i>Fayetteville NC Metro</i>							
Fayetteville, NC	93.1	102.7	82.6	93.9	88.8	95.5	99.1
<i>Goldsboro NC Metro</i>							
Goldsboro, NC	95.0	100.5	92.5	99.1	87.6	79.9	97.6
<i>Burlington NC Metro</i>							
Burlington, NC	97.4	96.2	99.1	90.4	88.0	96.1	101.6
<i>Greenville NC Metro</i>							
Greenville, NC	92.4	95.4	87.8	94.2	88.9	99.4	94.9
<i>Jacksonville NC Metro</i>							
Jacksonville, NC	92.0	99.7	80.2	93.1	85.9	100.0	99.5
<i>Raleigh/Cary NC Metro</i>							
Raleigh, NC	98.1	100.2	92.6	99.3	86.8	105.5	104.3
<i>Wilmington NC Metro</i>							
Wilmington, NC	99.3	97.4	107.6	91.5	95.4	95.2	96.7
<i>Winston-Salem NC Metro</i>							
Winston-Salem, NC	92.2	92.1	89.0	89.9	93.2	81.0	96.8

Each quarter ACCRA (American Chamber of Commerce Researcher's Association) collects data and publishes cost of living information for participating Metro-Micro Urban Areas in the United States. To determine overall cost of living, the relative affordability of certain items (groceries, housing, utilities, transportation, health care, and miscellaneous goods and services) are indexed and a composite figure is calculated and then compared to the national average of 100. (Since the index does not measure inflation and each quarterly report is a "snap shot" of a single point in time, index data from different quarters should not be compared.)

For the fourth quarter of 2003, Raleigh had a composite index of 98.1, with a high individual index of 105.5 for health care and a low individual index of 86.8 for transportation.

Source: ACCRA, 4th quarter 2003.

During the fourth quarter of 2003, Asheville had the highest average apartment rent (\$778 per month) in North Carolina. Durham had the second highest average apartment rent (\$755 per month). Raleigh had the fifth highest average sales price for existing and new homes during the fourth quarter of 2003 at \$230,696. (Wilmington was highest at \$283,770.)

Source: ACCRA, 4th quarter 2003.



The Progress Energy Tower, scheduled to be ready for occupancy later this year, is already making a dramatic addition to Raleigh's downtown skyline.

APARTMENT & HOUSING PRICES — 4TH QUARTER 2003

	Apartment Rent	Home Price
Asheville	\$778	\$261,336
Burlington	\$689	\$252,000
Charlotte	\$626	\$222,000
Durham	\$755	\$207,500
Fayetteville	\$607	\$205,750
Gastonia	\$508	\$216,000
Goldsboro	\$612	\$234,180
Jacksonville	\$663	\$192,741
Raleigh	\$673	\$230,696
Wilmington	\$648	\$283,770
Winston-Salem	\$599	\$227,820

The Government, Trade, Transportation and Utilities, Professional & Business Services Education & Health Services Sectors comprise nearly 73 percent of Wake County's total insured employment. The dominance of these four sectors contribute to the county's overall economic stability.

Source: Employment Security Commission, "Employment and Wages in North Carolina"

EMPLOYMENT BY SECTOR IN WAKE COUNTY

Sectors	2000	2001	2002	2003 (Qtr ending 9/30/2003)	% of total (Qtr ending 9/30/2003)
Goods-producing Domain	57,513	57,785	53,849	51,424	13.47%
Natural Resources & Mining	1,719	1,722	2,225	2,038	0.53%
Construction	27,673	29,047	27,605	27,371	7.17%
Manufacturing	28,124	27,018	24,020	22,015	5.76%
Service-providing Domain	325,190	330,703	326,540	330,483	86.53%
Trade, Transportation & Utilities	81,825	80,037	76,155	76,124	19.93%
Information	17,192	17,733	17,434	17,065	4.47%
Financial Activities	21,055	20,773	22,101	20,866	5.46%
Professional & Business Services	68,906	68,192	64,967	66,891	17.51%
Education & Health Services	57,828	63,616	65,069	65,562	17.17%
Leisure & Hospitality	33,706	35,339	35,575	36,810	9.64%
Other Services	12,247	12,604	12,214	12,454	3.26%
Public Administration	32,422	32,406	32,676	33,593	8.80%
Government (Local, State, Federal)	66,574	68,658	68,127	69,312	18.15%
Total	382,703	388,487	380,388	381,907	100%

AVERAGE ANNUAL UNEMPLOYMENT RATES

	2000	2001	2002	2003	March 2004
Raleigh	1.8%	3.4%	5.3%	5.2%	4.0%
Wake County	1.5%	3.3%	5.3%	4.7%	3.5%
Raleigh MSA	1.8%	3.3%	5.1%	4.7%	3.5%
North Carolina	3.6%	5.5%	6.7%	6.5%	5.3%
United States	4.0%	4.7%	5.8%	6.0%	6.0%

Raleigh's unemployment rate has consistently been lower than the North Carolina and national rates. For the first three months of 2004, unemployment rates in Raleigh, Wake County, the MSA, and the state have decreased due to an improving economy.

Source: Employment Security Commission, Labor Market Information.

Photo renderings at right depict schemes for reopening Fayetteville Street to vehicular traffic along the blocks south of the Capitol. Wide sidewalks with pedestrian amenities and outdoor dining are also planned.



NEW AND EXPANDED COMPANIES IN WAKE COUNTY — 2003

	# of New Companies	\$ Investment in New Companies	Projected Employee Increase in New Companies	# of New Expansions	\$ Investment in New Expansions	Projected Employee Increase in Expansions
1999	14	\$58,000,000	1,128	41	\$280,000,000	3,249
2000	26	\$57,900,000	464	51	\$1,161,332,000	4,688
2001	20	\$28,000,000	653	35	\$143,000,000	1,437
2002	36	\$196,160,000	1,143	33	\$305,125,905	874
2003	12	\$27,750,000	585	41	\$182,231,000	1,854

In year 2003, 53 major companies announced either new operations or expansions of present operations in Wake County with an announced estimated dollar investment of over \$209 million. This represents an estimated 2,439 new jobs added to the workforce in Wake County. Twelve new companies have announced new operations with a projected employment of 585 persons in Wake County. During this same time period there were 41 expansions announced in Wake County with a projected employment of 1,854.

Source: Greater Raleigh Chamber of Commerce.

NEW COMPANIES**IN WAKE COUNTY — 2003:****All-Interior Supply*****DDU Express**

Infineon Technologies Corporation

Kioti Tractor

Mage Web Development**Misys Healthcare Systems****Nabla Communications**

Okaya-USA

Redundant Networks**The Alliance of Consulting Services****Triangle Brick**

Wireless-Jobs

Brand Fuel Promotions

Capital Bank

Cary Oncology

Closure Medical**Concord Hospitality****Connex TCT****CRA Recycle America****Crenshaw Engineering****Dal-Tile**

Future Graphics

Harris Wholesale**Heery International****InFood LTD****Intelligent Technologies, Inc.****Keller Williams Realty, Inc****Kyma Technologies****Medfusion****Mulkey Engineers and Consultants**

Nomaco Products

Normacorc

Okaya-USA

Overture Networks

Pack-Rat Portable Mini-Storage**Pergo**

PJ Food Service (Papa John)

Progress Energy

R.H. Donnelley (Morrisville)

R.H. Donnelley (Cary)

RSM McGladrey

Solectron

Stock Building Supply

SunTech

Thales Computers

3-C Institute for Social Development

Triangle Compounding Pharmacy

Wayne Homes**WebSourced, Inc**

Ziptronix, Inc

* companies in bold type are located in Raleigh

Source: Greater Raleigh Chamber of Commerce

EXPANDING COMPANIES**IN WAKE COUNTY — 2003:**

Aimet Technologies

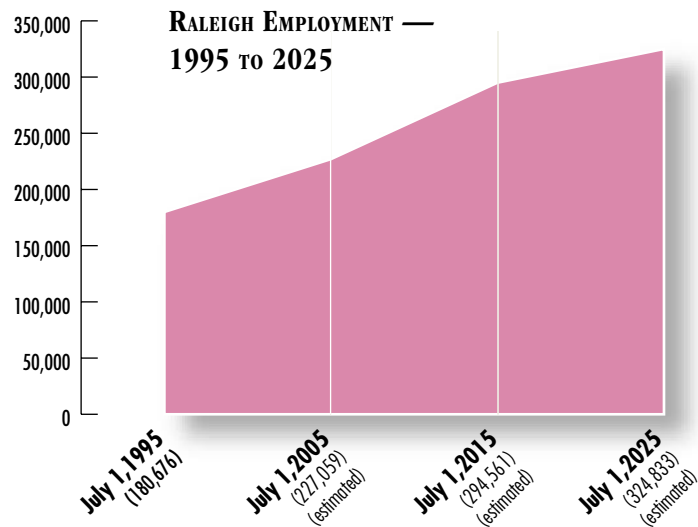
Alphanumeric Systems*

Art.com

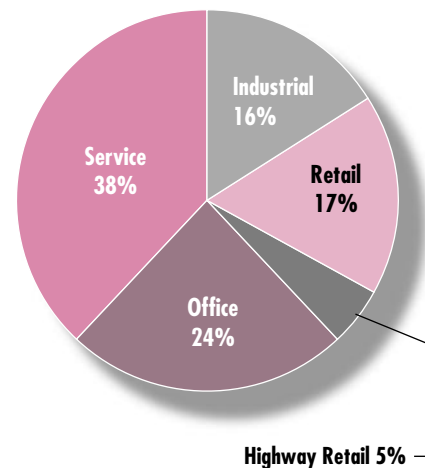


Glenwood South's streetscape improvements, including new sidewalks, streetlights, and other pedestrian amenities, have been recently completed.

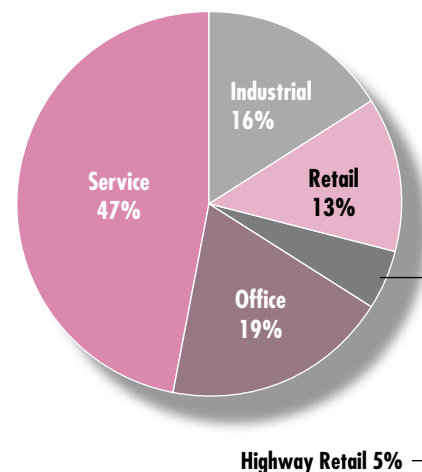
An employment base study was done for Raleigh in 1995 by CAMPO (Capital Area Metropolitan Planning Organization) for the purpose of transportation planning. Raleigh's estimated employment at that time was 180,676. It is projected that by 2025, Raleigh's employment will increase to just under 325,000 jobs.



It is projected that Raleigh's largest employment sector in 2025 will be service-related, comprising 38 percent of all jobs. While all sectors are projected to experience growth between 1995 and 2025, the largest percentage increases should occur in the retail and office sectors.



2025 RALEIGH EMPLOYMENT BY SECTOR (estimated)



1995 RALEIGH EMPLOYMENT BY SECTOR



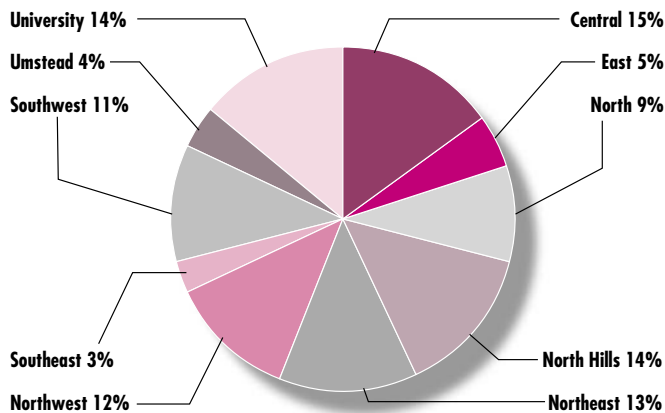
The Dawson, under construction at the corner of Dawson and Morgan Streets, will offer another residential alternative in the downtown area.

EMPLOYMENT GROWTH BY PLANNING DISTRICTS — 1995 TO 2025

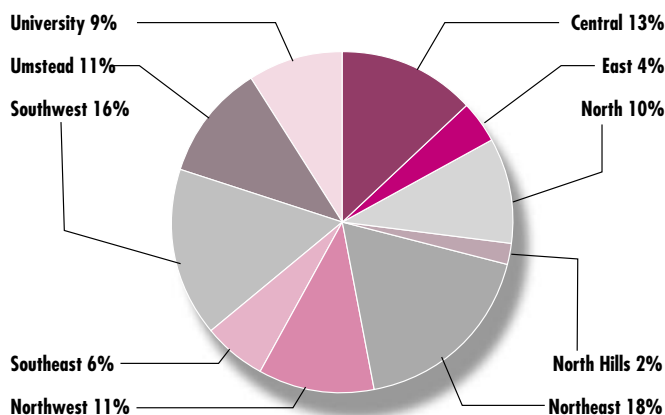
	Employment 1995 (estimated)	Employment 2005 (estimated)	Employment 2015 (estimated)	Employment 2025 (estimated)	Growth 1995 to 2025	Percent Growth 1995-2025
Central	27,615	31,082	34,788	38,461	10,84	39.3%
University	25,332	26,217	26,917	27,567	2,235	8.8%
Northeast	23,913	32,242	43,967	51,282	27,369	114.4%
Southwest	19,512	25,084	35,211	44,093	24,581	125.9%
Southeast	4,995	9,085	14,682	17,034	12,039	241%
East	9,292	10,299	11,303	12,307	3,015	32.4%
Umstead	7,644	17,214	33,117	33,473	25,829	337.8%
Northwest	22,000	26,364	31,220	33,374	11,374	51.7%
North Hills	25,430	29,700	33,947	37,711	12,281	48.3%
North	14,942	19,772	26,409	29,531	14,589	97.6%
Total	180,676	227,059	291,561	324,833	144,158	79.8%

In 1995 the Central District was the largest employment center in Raleigh, comprising 27,615 jobs and 15 percent of Raleigh's overall employment. By the year 2025, the Northeast District will be the largest employment center with 51,282 jobs and 18 percent of the employment in Raleigh.

Source: CAMPO (Capital Area Metropolitan Planning Organization)



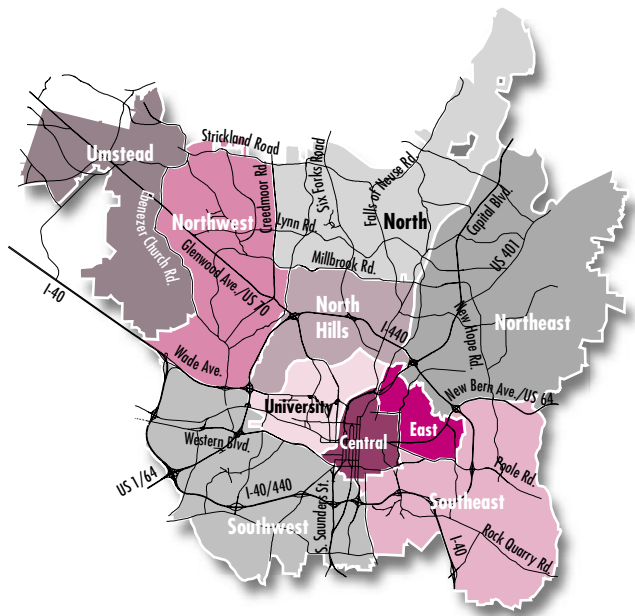
EMPLOYMENT BY PLANNING DISTRICT — 1995



EMPLOYMENT BY PLANNING DISTRICT — 2025 (estimated)

Source: CAMPO (Capital Area Metropolitan Planning Organization)

The Umstead Planning District will experience the greatest projected percentage increase in employment by 2025 —337.8%



RALEIGH PLANNING DISTRICTS

From 2002-2003, the number of new non-residential building permits issued in the Raleigh Planning Jurisdiction increased by 57.5% from 162 to 282, with both the square footage and the dollar value increasing. The office and commercial sectors showed the largest values in square footage and dollar value. There was also an increase in all other sectors in square footage and dollar amount.

RALEIGH AND ETJ NEW NON-RESIDENTIAL BUILDING ACTIVITY 2002-2003

	# Permits 2002	# Permits 2003	Sq. feet 2002	Sq. feet 2003	Value 2002	Value 2003
Office	32	27	578,422	1,102,102	\$38,915,737	\$54,302,393
Industrial	24	39	323,318	439,972	\$9,864,205	\$46,367,116
Institutional	34	27	300,455	537,328	\$27,491,674	\$30,014,444
Commercial	40	94	457,520	2,025,417	\$24,963,700	\$102,862,148
Other*	32	95	177,969	799,306	\$6,027,847	\$21,158,139
Total	162	282	1,837,684	4,904,125	\$107,263,163	\$254,704,240

Source: City of Raleigh Planning and Inspections Departments. Figures do not include alterations or fit-ups.

* Other includes parking garages, out-buildings, cell towers, etc.

RALEIGH BUILDING ACTIVITY — NUMBER OF RESIDENTIAL PERMITS ISSUED 1993-2003

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Single Family	1,537	1,785	1,763	2,094	2,197	2,346	2,763	2,243	2,700	2,901	2,621
Townhouse	94	218	248	214	320	644	992	1,067	1,342	1,188	1,168
2 Family	4	9	1	59	11	24	7	4	9	102	113
3 & 4 Family	1	2	0	0	1	0	0	0	3	21	14
Condominium	8	36	74	56	225	280	56	13	44	70	18
Apartment	34	121	102	93	28	108	169	168	131	24	77
Total	1,680	2,171	2,188	2,516	2,782	3,402	3,785	3,495	4,216	4,236	4,011

During the calendar year 2003, 4,011 residential building permits were issued by the City of Raleigh. Of these permits, 65% were single-family, 29% townhouse, 3% two-family, 2% apartment, and less than 1% condominium and 3 and 4 family.

RALEIGH BUILDING ACTIVITY — NUMBER OF DWELLING UNITS PERMITTED 1993-2003

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Single Family	1,537	1,785	1,763	2,094	2,197	2,346	2,763	2,243	2,700	2,901	2,621
Townhouse	94	218	248	214	320	644	992	1,067	1,342	1,188	1,168
2 Family	8	18	2	60	19	46	14	8	98	204	226
3 & 4 Family	4	7	0	0	2	0	0	0	32	78	49
Condominium	8	36	74	63	223	267	355	166	207	412	181
Apartment	498	1,902	1,530	1,269	374	1,077	2,356	3,311	2,817	453	1,610
Total	2,151	3,966	3,617	3,700	3,135	4,380	6,480	6,795	7,196	5,166	5,855

During the calendar year 2003, 4,011 building permits were issued in the City of Raleigh, representing 5,855 dwelling units. Of these units, 45% were single-family, 20% townhouses, 27% were apartments, 4% were two-family, 3% condominium, and 1% 3 and 4 family.

Source: City of Raleigh Planning and Inspections Departments.

RALEIGH AND ETJ BUILDING ACTIVITY (NEW, PRIVATELY OWNED) – DOLLAR VALUES

	Single Family	Two Family	3&4 Family	Multi- Family	Non- Residential
1993	\$164,776,834	\$465,000	\$98,000	\$21,896,453	\$78,953,038
1994	\$210,363,768	\$813,240	\$183,000	\$73,273,447	\$111,929,912
1995	\$201,850,450	\$160,000	0	\$67,117,366	\$141,362,483
1996	\$239,330,686	\$3,383,302	0	\$67,158,682	\$128,735,563
1997	\$247,706,761	\$903,500	\$1,155,000	\$61,143,791	\$152,136,365
1998	\$278,837,318	\$2,795,208	0	\$136,848,371	\$238,649,393
1999	\$344,616,136	\$1,198,000	0	\$268,133,895	\$222,532,780
2000	\$321,835,579	\$629,088	0	\$300,396,401	\$303,997,454
2001	\$361,919,660	\$9,059,289	\$528,000	\$263,782,213	\$316,368,247
2002	\$386,515,765	\$10,239,126	\$4,359,150	\$183,836,596	\$86,419,034
2003	\$359,611,178	\$8,375,559	\$3,405,000	\$212,043,052	\$243,807,961

During the calendar year 2003 the value of new privately-owned building activity in Raleigh and the ETJ surpassed \$827 million. There was a significant increase in the dollar value of non-residential development in 2003 compared to 2002.

Source: City of Raleigh Planning and Inspections Departments.

Please note: the data fields reflect only new privately-owned construction.

*During year 2003,
5,855 dwelling
units were
permitted in
Raleigh.*

TOTAL VALUE OF CONSTRUCTION AUTHORIZED — 1993 TO 2003

The total value of construction authorized in the City of Raleigh is derived from the value of building permits for new residential construction, new commercial construction (private and publicly-owned), residential and commercial alterations & additions, and other (such as demolitions).

For the fifth consecutive year, total construction in Raleigh was over \$1 billion. The year 2003 reflects an increase of \$190,129,600 over the year 2002 figure of \$1,001,613,936

Source: City of Raleigh Inspections Department

Year	Value
1993	\$347,621,021
1994	\$526,293,173
1995	\$584,350,591
1996	\$639,347,051
1997	\$742,865,773
1998	\$884,444,844
1999	\$1,161,501,578
2000	\$1,187,362,277
2001	\$1,301,590,138
2002	\$1,001,613,936
2003	\$1,191,743,536

RALEIGH GROWTH & DEVELOPMENT — SPRING, 2004

The Growth and Development Report is prepared by the City of Raleigh Planning Department twice each year. Suggestions and questions on format or contents of this report are welcomed.

PREPARED BY THE CITY OF RALEIGH PLANNING DEPARTMENT

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(continued from p.1)

place in the region. Explore adding incentives in the regulations.

5. Expand downtown management to take a one stop approach to management and advocacy.

Design and implementation programming is currently underway for the two major public investment projects being pursued as a result of the Five in Five downtown action plan. The City of Raleigh has approved a design concept for reopening Fayetteville Street as a two lane, two-way vehicular corridor lined with parking spaces and pedestrian sidewalk improvements on its first three and a half blocks south of the Capitol. Design concept incorporates wide sidewalks for outdoor dining, artwork, street trees and other amenities. A vista to the State capital building will be created with potential for parades, festivals and other downtown events. The project will also be expanded to include converting Hargett Street and Martin Street from one-way to two-way vehicular traffic. This estimated \$10 million Fayetteville Street Renaissance project is anticipated to begin in the second half of 2004, after construction drawings and funding has been finalized.

Plans are also being finalized to move forward with a new convention center and hotel complex which will anchor the 400 block of Fayetteville Street. The City and County have approved funding of \$200 million for this project utilizing countywide hotel occupancy and prepared food tax revenues. This includes \$180 million for a 500,000 square foot convention center with ballroom, exhibit and meeting space and a \$20 million supplement for public meeting areas within an adjacent 400-room four star Marriott hotel. Total public and private hotel investment is estimated at \$60 million. The City is currently reviewing alternative design and programming concepts for the new convention center which will be located on the two blocks immediately west of the existing civic center. The adjacent hotel would be located on the west side of the existing civic center block. Both projects are planned to be under construction by 2005 with completion anticipated by 2007. Land acquisition activity for the new convention center site is currently underway.

The Five in Five action plan is being complimented by several private sector projects that will soon change the streetscape and skyline of downtown Raleigh. Major private investment projects underway include:

- **Progress Energy Tower**—an approximately \$100 million, 390,000 square foot, 19 story new corporate headquarters building with retail and parking components, under construction on East Davie Street.
- **The Dawson**—an approximately \$ 20 million, 5 story, 52 unit residential condominium project.
- **The Hudson**—an approximately \$ 20 million redevelopment of the former Hudson Belk department store into 64 residential condominiums and street level retail uses, under construction along the Fayetteville Street corridor.
- **Jones/Harrington Street Tower**—an approximately \$35 million, 264,000 square foot, 14 story mixed use project including office, retail, and residential condominiums with construction scheduled to begin second half of 2004.

The above public and private investment projects are expected to stimulate continued redevelopment projects downtown. Additional planning processes are underway throughout downtown to help guide

future development activity:

- A strategic plan for design and marketing of six city-owned sites at the south end of downtown around the BTI Center for Performing Arts and the new convention center site will be formulated with in the next few months.
- The State of North Carolina is undertaking a master planning process for a portion of the Blount Street Historic District in northeast downtown. The State intends to sell several historic and vacant properties currently used for government offices and parking for conversion back to private predominately residential type uses.
- Plans to guide potential higher intensity mixed use development in the Gateway West area where an intermodal transportation hub including a Triangle Transit Authority regional rail station that is scheduled to open by 2008 are in progress. Associated Saunders North Redevelopment Plan for the southernmost portion of Gateway West is also underway to help stabilize the area and encourage new investment.
- On the eastside of downtown, redevelopment plans are evolving for the blocks south and east of Moore Square's City Market area to encourage further reinvestment in an area referenced as Moore Square South.

For further details about various downtown Raleigh projects and plans visit the City of Raleigh website at: www.raleigh-nc.org/livablestreets/index.htm.

